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LSB Newsletter Fall 2009

School of Business

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THE LUMPKIN LETTER

FALL 2009

A BUSY YEAR IN THE SCHOOL OF BUSINESS



Dr. Cheryl L. Noll
Chair, School of Business

As I complete my first year as chair of the School of Business, I take great pleasure in looking back at all of the activities and events that truly made the year one to remember. This past academic year was an especially busy one, with a multitude of activities taking place in order to enrich the learning of our students -- both in and outside of the classroom.

A number of executives visited campus as part of our Executive-in-Residence Program and shared their expertise with our students. This year's EIRs included Jane Lockett, senior vice president of customer operations for ConnectEdu, and Teri Radosevich, vice president of community relations and public affairs for Avnet Inc., which is a \$15.8 billion value-added distributor of electronic components, computer products and services. The Metavante Corp., headquartered in Milwaukee, Wisconsin, served as a corporate executive-in-residence in the spring semester. Five executives from different departments of Metavante visited campus for two days to speak to students in classes, meet with students in small groups, and show students how the variety of majors are utilized by an organization.

Additionally, Wendy Perrow, vice president of marketing and alliance management for the Alba Therapeutics Corp., visited campus to speak to students as part of the School of Business' Grace T. Bair Lecture Series, a means for bringing female executives to campus in conjunction with Women's History and Awareness Month.

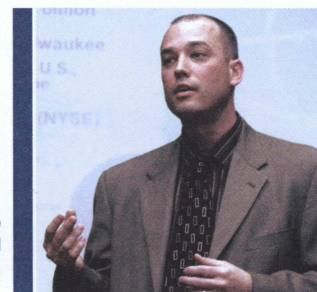
The first annual Young Professionals Series was held during Spring 2009. This program brings recent alumni back to campus to connect with current students, and gives students opportunities to ask questions

about the professional world and to learn how to make the transition from student to professional. Seven young alumni returned to campus and spoke in classes throughout the day; they also participated in an evening panel discussion. Both alumni and current students alike praised the Young Professionals Series as a successful way to keep alumni connected to the School of Business and to provide students with practical advice for starting their careers.

In addition to our speaker series and events, members of both the Business Advisory Board and the Accountancy Advisory Board volunteered their time and expertise to help our students excel.

All of our dedicated faculty, alumni, executives and professionals serve to enhance the learning of our students and truly make the School of Business the success that it continues to be, ever stronger each year.

In this edition of the Lumpkin Letter (which is published annually), you will learn more about the exciting research, programs and events that are helping our students to stand out. In addition, we have featured some of our alumni who make many of our initiatives possible. I hope you enjoy reading about our latest projects and that you will continue to stay connected to the School of Business at EIU.



Executive in Residence
Kevin Harried
Risk Manager,
Metavante Corp.

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RETIRED, BUT STILL WORKING



by Dr. Melody Wollan
Assistant Professor of
Management

It has been estimated that 80 percent or more of baby boomers consider working after retirement. Half of pre-retirees in their 50s are interested in second careers. Working in retirement, or bridge employment, is becoming a reality for many. For some, it is an economic necessity (e.g., a paycheck, maintaining medical insurance or restoring lost retirement funds), while for others, it is a form of participating in a society in a more meaningful endeavor – semi-volunteer work, charitable causes or employment in a different industry than the career industry. For others, such as the neurologist who turned to delivering newspapers after he retired, it is a return to memories of childhood innocence and “simple” work with lessened responsibilities.

With that as a backdrop on the current and prospective workforce, Dr. Melody Wollan (EIU) and her colleague, Dr. Sharon Kendrick (Methodist University in Fayetteville, N.C.), examined the organizational situations that might entice pre-retirees to consider working in retirement. Are there ways that managers and human resource departments can identify pre-retirees for potential project, part-time or flexible work? Can pre-retirees be “socialized” into the possibility of semi-retirement on their terms and turned into a potential flexible employment population? Do certain factors tend to be common amongst those indicating a desire to work after retirement? And, more importantly, are these factors that managers and human resource departments can utilize to identify this potential workforce?

In the most recent study from Wollan and Kendrick (2009), 62.2 percent of the 387 respondents (average age 54 years old and all stating that they were within 10 years of retirement) indicated that they had intentions to work after retirement. Part-time work was the preference of 38.1 percent, while only 24.6 percent had absolutely no intentions to work after retirement; 13.2 percent were uncertain at this time of their future plans. Respondents represented 16 different industries (such as computer-related, management, education, healthcare, food preparation, building maintenance, transportation, engineering, production, legal and community services). As part of the survey, information on economic dependency was collected from each participant and considered in the analyses, but was not a significant predictor of intentions to participate in bridge employment.

Six factors predicted which pre-retirees indicated their interest in working after retirement. First,

the more education an employee had, the more likely he/she was to consider bridge employment. Second, the more opportunities an employee had been offered for training and development predicted their intentions to participate in bridge employment. We hypothesize this is both an issue of confidence or self-efficacy in their existing skill set being usable and valued in the organization, as well as a perceived limitation of future employment when there has been a lack of continuous learning. Third, supportive relationships with co-workers matter in determining the likelihood of staying in the workforce. In this study, they mattered more than supervisors (but effective and supportive supervisors also matter), and much more than family or spousal support related to work responsibilities. Co-workers talk to the pre-retirees, rely on them when work tasks became tough, and listen to their personal problems. This creates an environment of support that may be difficult to replicate, yet still be necessary, in retirement. Next, if pre-retirees felt they had control over work-family conflict and responsibilities, they were more likely to continue to work after retirement.

This research study, co-supported by Eastern Illinois University faculty development funds and research awards and a School of Business Lumpkin Foundation Award provided to Dr. Wollan, assistant professor of management, was awarded the 2009 Best Overall Paper on Conference Theme of MBAA International, sponsored by McGraw-Hill/Irwin, and the 2009 Distinguished Paper Award for Conference Theme from the North American Management Society (an affiliated organization of MBAA International). The full academic journal article was published in the Journal of the North American Management Society, Volume 4, Issue 1, Spring 2009, pages 3-18.

THE DIFFICULTIES IN USING A COST-LEADERSHIP STRATEGY IN EMERGING MARKETS



by Dr. David Boggs
Assistant Professor of
Management

Dr. David Boggs was recently recognized by the Emerald Literati Network for his article titled "The Difficulties in Using a Cost Leadership Strategy in Emerging Markets." The article, co-authored with Dr. Dan Baack, assistant professor of marketing at Ball State University, and published in the *International Journal of Emerging Markets*, was named a "Highly Commended Award Winner" for the Literati Network Awards for Excellence 2009. The award-winning papers are chosen following consultation amongst the journal's editorial team, many of whom are eminent academics or managers. Boggs' paper was selected because it was one of the most impressive pieces of work published throughout 2008 in the *International Journal of Emerging Markets*.

In the article, Professors Boggs and Baack address the application of strategic contingency theory (i.e., using different strategies for different market conditions) and Michael Porter's low-cost, differentiation and focus strategies in the context of emerging markets. First, the article explores the question of emerging-market strategies by focusing on developed-country MNCs that use a cost-leadership strategy in these markets. Second, it contributes an important critique of the claims made by some business strategy theorists that multinational companies need to use a single generic strategy globally in order to achieve high performance. Based on deductive reasoning and examples reported in business publications, Boggs and Baack focus on why firms from developed countries may find a cost-leadership strategy ineffective in emerging markets due to cultural differences, economic

instability and underdeveloped infrastructure. They further argue that implementation of a cost-leadership strategy by developed-country multinational companies is rarely effective in emerging markets, and that multinationals may benefit from adjusting their business strategies to different markets. The paper provides at least a partial explanation as to why American firms may struggle when they try to apply a low-cost business strategy across varied international markets.

**"FIRMS FROM
DEVELOPED
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Boggs developed an interest in foreign markets at a young age, while living abroad, and his interest has only grown as he has researched, worked and taught in developing economies, and as these markets have increased in importance to the world economy. He taught in China on multiple occasions, has traveled in formerly communist Eastern-bloc nations in Europe, and has lived in South America and the Caribbean. In March 2010, he plans to take EIU business students to study international business in Panama, where students will visit the Panama Canal and focus on business in emerging markets, logistics, transportation, trade, banking and environmental issues.

The full academic journal article is available in the *International Journal of Emerging Markets*, Vol. 3, No. 2, 2008, pp. 125-139.

WHERE ARE YOU NOW?

We are always interested in learning about the success of our alumni. If you would like to share your latest accomplishments, please visit:

[www.eiu.edu/~business/
alumni/alumni.php](http://www.eiu.edu/~business/alumni/alumni.php)

to complete the Alumni Profile Form online, or print it out and mail it to:

**School of Business
Eastern Illinois University**
600 Lincoln Ave
Charleston, IL 61920

You can also always e-mail us at business@eiu.edu to let us know how you're doing.

We appreciate your responses and are excited to hear from you!



Jackie Joines
Director of Philanthropy for
Lumpkin College of
Business and Applied
Sciences

OUR ALUMNI: CREATING OPPORTUNITIES FOR STUDENTS

Given the current volatile economy, the importance of alumni and donors in securing private funding for our students and programs has never been more critical. This help is necessary to maintain the institution's level of excellence in education. Reconnecting our alumni and donors in making a difference at Eastern is a priority for the School of Business in these most challenging times and to meet the demands of increased enrollment.

The School of Business Advisory Board has taken on the task to lead an effort to create exceptional learning experiences through discipline-specific Opportunity Funds that will allow program enhancements to be implemented and sustained without the constant concern of diminished state dollars and high demands. The goal is to create discipline-specific funds which will provide some independence from environmental fluctuations. You will be hearing more about this effort in the next few years, and we hope that you will consider being a partner. The Opportunity Funds will allow you to make a difference in the life of a student by creating new opportunities both in and outside of the classroom – just like alums before you have done!

For information on how to make a gift to the School of Business, please contact Jacqueline Joines, CFRE, Director of Philanthropy, by phone (217-581-7969) or e-mail (jsjoines@eiu.edu). Contact us today to help create an opportunity for our students that can change their lives!

To learn more about how our donors' gifts benefit our students, visit www.eiu.edu/~business/Spotlight/SchoolofBusinessActivities.php

INTERNATIONAL INITIATIVES



The School of Business encourages its students to incorporate a global perspective into their academic, professional and personal development. To this end, a number of exciting endeavors are offered to give students the international exposure that is critical in today's global business environment. In addition to the variety of short-term study abroad programs offered by EIU, each summer the

School of Business sponsors a faculty-led study abroad course to Maastricht, the Netherlands. In the summer of 2009, 17 students participated in the program which was led by Dr. David Boggs and Dr. Hank Davis. The program gives students the opportunity to see how American companies and their competitors operate in a global economy. Students who participate in the program describe it as a life-changing experience. This year, thanks to the generosity of EIU alumnus Steve Gosselin and wife, Bonnie, a gift was given toward

international initiatives within the school. This gift was used to encourage students to study abroad by helping to defray some of the costs of the Maastricht trip.

Students are also given the opportunity to participate in the International Business Club, a student organization sponsored by Dr. Boggs and Dr. Ayse Costello. The IBC hosts speakers and provides opportunities for students to attend conferences and off-campus events that further their understanding of international business issues.



DR. MARKO GRÜNHAGEN, RENDEZVOUS EN FRANCE



by Dr. Marko Grünhagen
Associate Professor of
Marketing

During Summer 2009, I had the honor of serving as a visiting professor at the Université de Rennes in Brittany, France, teaching a module on franchising during the inaugural year of the Master in Franchising and Networks degree program. This program is the first of its kind in France, and I received this opportunity through a colleague of mine, Professor Rozenn Perrigot, who is the program's creator and a long-time friend and research partner on franchising.

The program is conducted similarly to a U.S. co-op program (i.e., the graduate students are currently employed and sponsored by a franchise system or other retail network in France), and participants alternate between working for their respective companies for about three weeks and taking classes in Rennes for a week or two before going back to work, and so on. The program takes a year to complete, and the students are exposed to faculty and their research from around the globe, in addition to their native French professors.

The first cohort consisted of 11 students who worked for such well-known global franchise systems as Yves Rocher and Cartridge

World, as well as for companies that had only recently begun to explore franchising as a growth vehicle for expansion, such as a nascent chocolatier chain and an organic bread bakery.

The experience was simply "magnifique!" Students were extraordinarily inquisitive about economic developments in the U.S. (la crise was how they referred to the current global economic turmoil); our classes were an exciting blend of lectures and vigorous discussions about differences between French and U.S. business practices; and the breaks and evenings were filled with laughter, extraordinary food and, bien sûr, the obligatory French wine and the local Cidre from Brittany. I was asked to return next year, and I can't wait to go back! My experience serves to enrich both my teaching and my research which translates into a win-win for the School of Business.



"THE EXPERIENCE WAS SIMPLY 'MAGNIFIQUE!'"

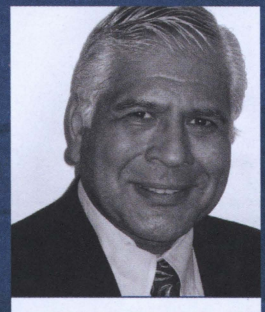
EDWARD J. ESCALANTE NAMED SCHOOL OF BUSINESS' DISTINGUISHED ALUMNUS

In 2008, Edward J. Escalante was named the School of Business' Distinguished Alumnus. He serves as a vice president and general manager at the Pharmaceutical Division of McKesson Corporation. He also participates on several task forces that match McKesson resources with the needs of today's pharmacy. Escalante is a recipient of the McKesson President's Award for service excellence.

Supply chain management has been a major area of Escalante's work. Prior to McKesson, he was a market president for Alliant Foodservice. He also served as the western vice president of distribution services at Baxter Healthcare International. He began his career at American Hospital Supply.

Escalante holds a bachelor of science degree in marketing from Eastern Illinois University and a master of business administration degree from Pepperdine University. He and his wife, Susan, reside in Oakland, California, and Kapolei, Hawaii.

Escalante has faithfully served EIU for a number of years in many ways. He is a past member of the Business Advisory Board and a major contributor to the success of our students and the School. The School of Business is proud to recognize his service and success.



Edward J. Escalante



School of Business 124100
Lumpkin College of Business & Applied Sciences
600 Lincoln Ave.
Charleston, IL 61920-3099

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“WALL STREET BAILOUT MAIN STREET FALLOUT”

During the Fall 2008 semester, the School of Business partnered with the Business Solutions Center to invite a number of local business leaders to participate in a panel discussion titled “Wall Street Bailout/Main Street Fallout.” Panelists discussed the ramifications of a financial bailout and how it would affect local businesses. The business professionals also gave investment advice and talked about the availability of business loans.

Panel members included Jack Schultz from Agracel; Brian Titus from Lorenz Supply; Dan Downs from First Neighbor Bank; Chuck LeFebvre from First Mid-Illinois Bank; and Richard Whitaker, a finance professor in Eastern’s School of Business. The panel presentation was engaging and insightful. A number of students, faculty and community members came together to learn more about the current economic situation and its impact on our local businesses. The panel was moderated by two MBA candidates, Jessica Surma and Jake Byrne.

You can check out the presentation for yourself on the School of Business’ Web site:
www.eiu.edu/~business/spotlight/wallstreetpanel.php